

## Lesson 8.1 What Is E-Commerce?

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. Many established businesses use e-commerce to conduct business.
- F   2. E-commerce includes only sales made by businesses using the Internet.
- F   3. E-commerce first started with the development of the World Wide Web in the 1950s.
- T   4. There are three stages of development that businesses can use for their web sites as they develop a presence on the Internet.
- T   5. A major advantage of doing business on the Internet is that companies have immediate access to prospective customers all over the world.
- T   6. Small businesses are able to compete more effectively with large businesses on the Internet than when they use traditional business methods.
- T   7. The Internet has resulted in the development of new products that can be delivered to customers' computers rather than through traditional distribution methods.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D   8. Around the world as of 2007, the Internet is used by about
  - A. 500,000 people
  - B. 50 million people
  - C. 500 million people
  - D. 1 billion people
- A   9. A business that performs almost all of its business activities through the Internet is referred to as a
  - A. click-only business
  - B. web.com business
  - C. bricks-and-mortar business
  - D. electronic business
- B   10. The most basic stage of web site development
  - A. provides interaction
  - B. provides information
  - C. provides online sales transactions
  - D. all of the above
- D   11. Which part of the marketing mix is important to businesses using e-commerce?
  - A. product
  - B. price
  - C. distribution
  - D. all marketing mix elements are important

## Activity 1 • Business Information

**Directions:** The Internet is an excellent source of information about businesses, regardless of whether or not they operate on the Internet. Sometimes, you will find information on a web site created by the company. Other times, you will find information about a specific company on a web site created by other businesses. These businesses may provide information for potential investors or customers. For the companies listed below, identify a web site other than the company's own site that provides information about the company. Describe the information you found about the business, its products, or its history.

1. Burger King – Web site address: Answers will vary.  
Answers will vary. Answers should include an identification of the web site and the URL as well as information about the company, its products, or its history.
2. LensCrafters – Web site address: Answers will vary.  
Answers will vary. Answers should include information about the company, its products, or its history.
3. John Deere – Web site address: Answers will vary.  
Answers will vary. Answers should include information about the company, its products, or its history.
4. American Express – Web site address: Answers will vary.  
Answers will vary. Answers should include information about the company, its products, or its history.

## Activity 2 • Identifying E-Commerce Stages

**Directions:** Visit the web sites for the five companies listed below. Identify the web address for the business, describe a few features of the site, and identify the stage of development for the company's web activities.

| Business   | Internet Address            | Web Site Features   | Stage              |
|------------|-----------------------------|---|--------------------|
| Papa Johns | <i>www.papajohns.com</i>    | <i>Answers will vary, but should describe the web site.</i> | <i>integration</i> |
| PBS Kids   | <i>www.pbskids.org</i>      | <i>Answers will vary, but should describe the web site.</i> | <i>interaction</i> |
| iTunes     | <i>www.apple.com/itunes</i> | <i>Answers will vary, but should describe the web site.</i> | <i>integration</i> |
| PepsiCo    | <i>www.pepsico.com</i>      | <i>Answers will vary, but should describe the web site.</i> | <i>information</i> |
| NetJets    | <i>www.netjets.com</i>      | <i>Answers will vary, but should describe the web site.</i> | <i>information</i> |

## Lesson 8.2 The Growing Importance of E-Commerce

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. The Internet was developed as a military and research tool in the 1950s.
- F   2. In 2007, China had more Internet users than any other country in the world.
- T   3. Internet sales to consumers represent about three percent of all consumer purchases.
- T   4. Some businesses believe that the Internet is not useful for the type of business activities they perform.
- F   5. E-mail is the only way that businesses can communicate with customers and employees on the Internet.
- F   6. A disadvantage businesses face when using the Internet to gather information is that they have to pay for all information obtained that way.
- T   7. The Internet actually allows businesses to improve their operations in addition to increasing sales.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- C   8. The percentage of all Internet users worldwide that live in the United States has \_\_\_\_\_ in recent years
  - A. stayed about the same
  - B. increased
  - C. decreased
  - D. no information is available on the number of Internet users
- A   9. Compared to business-to-consumer (B2C) sales, the dollar value of business-to-business (B2B) is
  - A. much greater
  - B. much less
  - C. about equal
  - D. no information is available on the amount of sales on the Internet
- A   10. Businesses that do not provide information about themselves on the Internet
  - A. will miss many potential customers
  - B. will fail
  - C. will not develop new technology
  - D. all of the above
- B   11. It is \_\_\_\_\_ to obtain information about competitors using the Internet
  - A. illegal
  - B. easy
  - C. difficult
  - D. expensive

## Activity 1 • Communicating on the Internet

**Directions:** A domain name is part of a web address used to identify a common characteristic of a group of web addresses. A domain name for a business usually contains the name of the business and an extension or suffix that identifies the common characteristic of the group of users. For example, Microsoft has the domain name microsoft.com. The most common domain extensions, considered to be top-level domain names, are .com, .net, .gov, .org, .mil, and .edu. Specific extensions are used to identify the country where the business or web site originates. For example, a business operating in the United Kingdom may use the extension .uk. Recently a number of more specific domain extensions have been recognized to more clearly identify the type of business, organization, or other entity. Complete the following chart by identifying the extension and the meaning of the extension. Some information has been provided for you.

| Extension | Meaning   |
|-----------|---|
| .com      | <i>Commercial business</i>                                  |
| .edu      | <i>Educational institution</i>                              |
| .gov      | <i>U.S. government agency</i>                               |
| .mil      | <i>U.S. military</i>  |
| .org      | <i>Nonprofit organization</i>                               |
| .net      | <i>An internet service provider or network of computers</i> |
| .cn       | <i>Originating in China</i>                                 |
| .gr       | <i>Originating in Greece</i>                                |
| .zm       | <i>Originating in Zambia</i>                                |
| .th       | <i>Originating in Thailand</i>                              |
| .se       | <i>Originating in Sweden</i>                                |

| Extension | Meaning   |
|-----------|---|
| .biz      | <i>Small business web site</i>                            |
| .name     | <i>Reserved for the personal web sites of individuals</i> |
| .info     | <i>Identifies an information web site</i>                 |
| .tv       | <i>Rich media content web site</i>                        |
| .us       | <i>Originating in the United States</i>                   |
| .mobi     | <i>Web sites that can be viewed on mobile devices</i>     |
| .pro      | <i>Identifies a professional business</i>                 |
| .au       | <i>Originating in Australia</i>                           |
| .eg       | <i>Originating in Egypt</i>                               |
| .jm       | <i>Originating in Jamaica</i>                             |
| .zw       | <i>Originating in Zimbabwe</i>                            |

## Lesson 8.3 Virtual Marketing and Distribution

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. Consumers have more choices of companies and products as a result of the Internet.
- T   2. Virtual marketing is the completion of marketing activities primarily through the use of computer and Internet technologies.
- F   3. An advantage of e-commerce marketing is that it simplifies marketing planning.
- T   4. E-commerce has opened up new markets for businesses, but it has also dramatically increased the competition they face.
- F   5. All e-commerce purchases require that an item be physically shipped to the customer.
- T   6. It is possible for businesses to reduce distribution costs by as much as 99 percent when customers make purchases using the Internet
- F   7. A disadvantage of e-commerce is that consumers must use a credit card to make an online purchase.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D   8. Consumers can easily find suppliers and vendors on the Internet by
  - A. randomly visiting several web sites
  - B. entering the web address of a specific supplier
  - C. looking at the library
  - D. using a search engine
- C   9. Which of the following products can be electronically delivered to a customer?
  - A. flowers
  - B. bicycles
  - C. books
  - D. all of the above
- D   10. Which of the following is *not* an example of virtual marketing?
  - A. online surveys for a marketing research study
  - B. distributing e-tickets for concerts and sporting events
  - C. reviewing bank statements through a personal account on your bank's web site
  - D. shipping computer software to a customer through an express parcel delivery service

## Activity 1 • Comparison Shopping

**Directions:** Use a search engine on the Internet to identify three suppliers of each of the following products. Visit each site and identify the price for identical or very similar products. Select one of the vendors from which you would buy the product and explain the reasons for your choice.

*Answers will vary.*

|                      | Business/Price<br>#1 | Business/Price<br>#2 | Business/Price<br>#3 | Business/<br>Reasons for Choice |
|----------------------|----------------------|----------------------|----------------------|---------------------------------|
| One dozen roses      |                      |                      |                      |                                 |
|                      |                      |                      |                      |                                 |
| 8 GB USB flash drive |                      |                      |                      |                                 |
|                      |                      |                      |                      |                                 |
| Gourmet popcorn      |                      |                      |                      |                                 |
|                      |                      |                      |                      |                                 |
| 50 in. plasma HDTV   |                      |                      |                      |                                 |
|                      |                      |                      |                      |                                 |

## Activity 2 • Providing Security

**Directions:** Most consumers will not make purchases or conduct other business transactions when they have questions about the security of financial transactions or personal information they must provide. Locate a web site for each of the types of businesses listed that engage in e-commerce. Search the web site to identify two policies or procedures the business uses to provide protection and security for their customers' online transactions. Describe them in the space provided.

| Type of Business | Company Studied           | Security Policies and Procedures |
|------------------|---------------------------|----------------------------------|
| Credit card      | <i>Answers will vary.</i> | 1. <i>Answers will vary.</i>     |
|                  |                           | 2.                               |
| Bank             |                           | 1.                               |
|                  |                           | 2.                               |
| Online auction   |                           | 1.                               |
|                  |                           | 2.                               |

## Lesson 8.4 The Role of Promotion for E-Commerce

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. Most Internet users do not plan to purchase products when they go online.
- T   2. Many consumers will gather information online, and then make the actual purchase at a local business.
- F   3. It is illegal for businesses to use bartering to place their advertisements on another web site.
- T   4. The Internet Advertising Bureau has set standards for the size and appearance of Internet advertisements.
- T   5. The Internet has become an excellent source to easily obtain customer reviews of products they have purchased and used.
- T   6. Most search engines allow companies to pay to have their web site appear at the top of the list when the search results are shown.
- F   7. Internet shoppers are less satisfied with their online shopping experience than with the traditional ways they make purchases.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D   8. Which type of business can benefit from using the Internet for promotion?
  - A. click-only
  - B. brick-and-click
  - C. brick-and-mortar
  - D. all of the above
- B   9. The digital technologies that provide interactive multimedia experiences for users are known as
  - A. blogs
  - B. rich media
  - C. pop-ups
  - D. rollovers
- A   10. Features likely to increase online purchasing include
  - A. close-up images of products
  - B. a large number of web pages
  - C. detailed written descriptions of products
  - D. all of the above

## Activity 1 • Internet Advertisements

**Directions:** The consumers who choose to visit a particular site can be placed in a market segment. Based on this segmentation, advertisers will choose to place advertisements on sites that attract the same market segment they have chosen. Visit three web sites you normally visit. Record the advertisers on the site, describe the market segment, and explain why the advertisers selected this site.

1. Web site address: Answers will vary. Segment: Answers will vary.  
Advertiser: Answers will vary.  
Reason: Answers will vary. Answers should include information about the reason the advertiser selected this site.
2. Web site address: Answers will vary. Segment: Answers will vary.  
Advertiser: Answers will vary.  
Reason: Answers will vary. Answers should include information about the reason the advertiser selected this site.
3. Web site address: Answers will vary. Segment: Answers will vary.  
Advertiser: Answers will vary.  
Reason: Answers will vary. Answers should include information about the reason the advertiser selected this site.

## Activity 2 • Banner Advertisement

**Directions:** Like traditional advertisements, Internet ads are designed to attract a specific market segment that will be interested in their products. Identify a product and market segment. Draw an Internet banner advertisement that would attract the selected consumers and explain your choices in the design.

Product: Answers will vary. Segment: Answers will vary.  
Reason: Answers will vary. Answers should include information about the reason the design elements were used.